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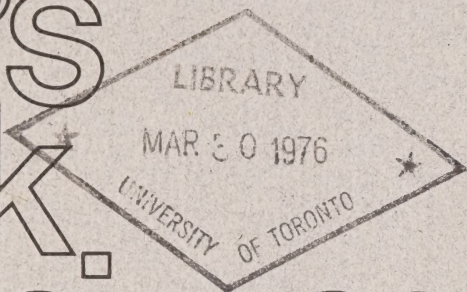
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# let's talk. business



the new regional  
development  
incentives program  
makes it easier  
to get together



Regional Expansion  
Economic Économique  
Expansion Régionale





## **RDIA — what you should know**

Certain areas of most provinces in Canada need new industries and expansion or modernization of existing facilities. They need new growth, more and better job opportunities and more private investment.

If you plan to build new manufacturing or processing plants, you should know about the federal Department of Regional Economic Expansion (DREE) and its regional development incentives program (RDIA).

If you have plans to expand or modernize your existing operation, you should know about the Regional Development Incentives Act (RDIA).

You should know that DREE, through RDIA in particular, can offer you financial incentives that could have a significant effect on your firm's future growth.

If you'd like to talk in more detail when you have read this brochure, call us. We'll be glad to listen.



## **RDIA — how it can help you**

There are two main ways RDIA can assist your firm: through development incentives and through loan guarantees. Both types of incentives are available for manufacturing or processing facilities. Commercial facilities, however, are eligible for loan guarantees only.

### **DEVELOPMENT INCENTIVES**

Three types of development incentives are available:

- I Non-repayable development grants.
- II Specifically repayable development incentives.
- III Provisional development incentives — repayable if the project achieves a certain level of profitability or other agreed objective.

Most incentives are of the first type, but certain larger operations may qualify for type II or III. Grants may also be combined with guarantees on loans from private lenders. This flexibility is important. It allows you to obtain the incentive most suitable for your needs.

### **LOAN GUARANTEES**

Loan guarantees are made to lenders to enable the applicant to secure the debt financing needed to finance his project, over and above his own equity.

Two types of loan guarantees are available: shared-risk guarantees and incremental guarantees.

Under shared-risk guarantees, DREE shares with the lender any losses sustained after liquidation and realization of security held to support the loan.

Incremental guarantees insure the incremental portion of a loan over and above the amount which the lender would advance with no guarantee.



## some facts . . .

### LOCATION

Under the regional development incentives program, you have a wide choice of location. All of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick, Manitoba and Saskatchewan has been designated. Most of Quebec (excluding only the Montreal-Hull corridor, but including the counties of Yamaska, Bagot, St. Hyacinthe and Missisquoi) has been designated, so also has Northern Ontario, down to and including most of the districts of Parry Sound and Nipissing and the Renfrew-Pembroke Special Area (extended to December 31, 1975). In British Columbia coverage to the Kootenay region has been extended to December 31, 1975, and in Alberta specialized forms of regional development incentives are also available.

You should contact DREE directly for supplementary information.



### ELIGIBILITY — MANUFACTURING AND PROCESSING

Most manufacturing and processing industries in the designated regions are now eligible for grants and loan guarantees.

Some exceptions are petroleum refining, segments of the pulp and paper industry, mining, and the growing, harvesting or extracting of natural products.

Most machinery, equipment and buildings in approved projects are eligible for incentives.

### **ELIGIBILITY — COMMERCIAL**

Loan guarantees are available for new commercial projects including business offices, warehousing and freight-handling facilities, shopping centres, hotels or motels, convention, recreation and research facilities.

### **OPPORTUNITY FOR SMALLER PROJECTS**

A minimum capital cost of \$25,000 may qualify the project for development grants. For a new facility or new-product expansion that will create a minimum of five direct jobs, even lower capital costs may qualify the project — as low as \$5,000.

The minimum total capital cost for consideration of a loan guarantee is \$100,000.

### **STANDARD FORMULAE**

There are standard formulae for calculating the size of incentive normally available for an eligible project expected to produce fewer than 100 new jobs and less than \$1,500,000 in approved capital cost. These formulae were introduced to make procedures more systematic and to speed up decisions. They allow you to make a better documented submission to DREE, and help us to expedite processing of your application.

In cases of new facilities or new product expansions where the standard formulae apply, the development grant is calculated on the basis of 25% of the cost of eligible assets plus 15% of one year's wage and salary bill. The latter amount is determined by averaging the wages and salaries paid during each of the second and third years of operation. In the Atlantic region the standard formula is 25% of the cost of eligible assets plus 30% of one year's wages and salaries averaged over the second and third years of operation. For modernizations and volume expansions, the standard formula provides a grant of 20% of the cost of eligible assets.

### **COMMITTED PROJECTS**

A word of caution — the program does not apply to projects that are already committed or under way.



### **PAYMENTS OF GRANTS**

If your application is successful and DREE makes you an incentive offer, it must be accepted within 90 days. If you accept the offer, an officer of the department will keep in close touch with you to follow the progress of the project. This inspection process is the basis for approval of payments.

When your project is legally in commercial production, the officer will make a thorough on-site inspection. After the inspection report has been approved, a first payment of 80 per cent of the grant is usually made.

Final payment is made following at least one more on-site inspection. This inspection takes place after commercial production has continued for a set period of time: usually 24 months for a grant based on capital costs or 36 months for a grant based on both capital costs and jobs created.

The conditions attached to the offered incentive and a number of legal requirements have to be met. But there really isn't much red tape. Talk to us and find out.

### **LOAN GUARANTEE FEES**

Fees for loan guarantees are 1% per annum, calculated on the declining monthly balance of the portion of the loan that is guaranteed.





## **DREE works where you work**

In recent months, DREE has undergone a transformation. The department has been decentralized and a high proportion of its staff now work in over 15 offices throughout the various regions and in all provinces of Canada.

Now you can discuss and apply for regional development incentives close to home. It's faster, more direct, less complicated. Because there is a greater familiarity with local situations, you can count on less time being needed to process your application.

DREE offices in each province evaluate all incentives applications. They award grants for smaller projects. Their recommendations on medium and large scale projects are reviewed by the regional office. Only a few of the cases — the larger and more complicated — are referred to the Minister for final decision.

## **what's your next step?**

If your firm is in the market for a regional development incentives grant or loan guarantee, you'll want more information.

Now that the program is so close by, why not phone to get information or perhaps set up a meeting? We'll give you all the facts, figures and explanations you need about RDIA and how you can profit from it.

The nearest office in your province is the place to start. However, if you're considering a project in another province, you'll save time by dealing with the DREE people there. If you are in a country outside Canada, call the Canadian Commercial Counsellor for further information.

## provincial offices

### NEWFOUNDLAND

Manager, Incentives  
Department of Regional  
Economic Expansion  
Ashley Building  
Peet Street  
(P.O. Box 8950)  
St. John's, Newfoundland  
A1B 3R9

Tel: (709) 722-7200

### NOVA SCOTIA

Manager, Incentives  
Department of Regional  
Economic Expansion  
Centennial Building  
1645 Granville Street  
Halifax, Nova Scotia  
B3J 1X3

Tel. (902) 426-6360

### NEW BRUNSWICK

Manager, Incentives  
Department of Regional  
Economic Expansion  
Armstrong Building  
590 Brunswick Street  
(P.O. Box 578)  
Fredericton, New Brunswick  
E3B 5A6

Tel: (506) 454-9751

### QUEBEC

Director of Incentives  
Department of Regional  
Economic Expansion  
Room 4328  
Stock Exchange Tower  
800 Place Victoria  
(P.O. Box 247)  
Montreal, P.Q.  
H4Z 1E8

Tel: (514) 283-7813

### PRINCE EDWARD ISLAND

Manager, Incentives  
Department of Regional  
Economic Expansion  
Dominion Building  
97 Queen Street  
(P.O. Box 1115)  
Charlottetown, P.E.I.  
C1A 7M8

Tel: (902) 892-8551

Officer, Incentives  
P.O. Box 700  
270 Douglas Avenue  
Keystone Place  
Bathurst, New Brunswick  
E2A 3Z6

Tel: (506) 548-8907

Manager, Incentives  
Department of Regional  
Economic Expansion  
Claridge Building  
220 Grande Allée East  
Suite 820  
Quebec, P.Q.  
G1R 2J1

Tel: (418) 694-4451

## **ONTARIO**

Director of Incentives  
Department of Regional  
Economic Expansion  
6th Floor  
Niagara Building  
1300 Yonge Street  
Toronto, Ontario  
M4T 1X3

Tel: (416) 966-6006

Manager, Incentives  
Department of Regional  
Economic Expansion  
Court Holding Building  
233 Court Street South  
(P.O. Box 3348 Station "P")  
Thunder Bay, Ontario  
P7B 2X9

Tel: (807) 345-1161

## **MANITOBA**

Manager, Incentives  
Department of Regional  
Economic Expansion  
400-2 Lakeview Square  
185 Carlton Street  
(P.O. Box 981)  
Winnipeg, Manitoba  
R3C 2V2

Tel: (204) 985-2694

## **SASKATCHEWAN**

Manager, Incentives  
Department of Regional  
Economic Expansion  
204 Towne Square Building  
1919 Rose Street  
Regina, Saskatchewan  
S4P 3P1

Tel: (306) 525-9161

## **ALBERTA**

Manager, Incentives  
Department of Regional  
Economic Expansion  
Financial Building  
10621 - 100th Avenue  
Edmonton, Alberta  
T5J 0B3

Tel: (403) 425-7114

## **BRITISH COLUMBIA**

Manager, Incentives  
Department of Regional  
Economic Expansion  
Bank of Commerce Building  
1175 Douglas Street  
Victoria, British Columbia  
V8W 2E1

Tel: (604) 388-3406



## **regional offices**

### **ATLANTIC**

Director of Incentives  
Department of Regional  
Economic Expansion  
14th Floor  
Assumption Place  
770 Main Street  
(P.O. Box 1210)  
Moncton, New Brunswick  
E1C 8P9

Tel: (506) 858-2851

### **QUEBEC**

Director of Incentives  
Department of Regional  
Economic Expansion  
Room 4328  
Stock Exchange Tower  
800 Place Victoria  
(P.O. Box 247)  
Montreal, P.Q.  
H4Z 1E8

Tel: (514) 283-7813

### **ONTARIO**

Director of Incentives  
Department of Regional  
Economic Expansion  
6th Floor  
Niagara Building  
1300 Yonge Street  
Toronto, Ontario  
M4T 1X3

Tél: (416) 966-6006

### **WESTERN**

Director of Incentives  
Department of Regional  
Economic Expansion  
814 Bessborough Tower  
601 Spadina Crescent  
Saskatoon, Saskatchewan  
S7K 0E9

Tel: (306) 242-7681

### **OUTSIDE CANADA**

#### **UNITED STATES**

Call the Canadian Consulate in  
New York City, Atlanta, Boston,  
Buffalo, Chicago, Cleveland,  
Dallas, Detroit, Los Angeles,  
Minneapolis, Philadelphia, San  
Francisco, Seattle or Washington.

#### **OVERSEAS**

Contact the office of the Cana-  
dian Government in the capital  
city of your country, if there is  
no Canadian representative in  
your own city.











